

Minutes

Meeting name	Audit and Standards Committee
Date	Tuesday, 24 September 2019
Start time	6.30 pm
Venue	Parkside, Station Approach, Burton Street, Melton Mowbray, Leicestershire LE13 1GH

Present:

Chair Councillor J. Douglas (Chair)

Councillors R. Bindloss R. Browne
R. Child A. Hewson
S. Lumley D. Pritchett
R. Smedley

Observers

Officers Deputy Chief Executive & Director for People & Communities
Director for Corporate Services
Director for Law and Governance
Head of Internal Audit
Democratic Services Officer (HA)

Minute No.	Minute
20	<p>Apologies for Absence Apologies were received from Councillor Wilkinson and Councillor de Burle.</p>
21	<p>Minutes The minutes of the meeting held on 30 July 2019 were confirmed and authorised to be signed by the Chair.</p>
22	<p>Declarations of Interest There were no declarations of interest received for this meeting.</p>
23	<p>Annual Audit Letter Sunny Gill, the external auditor for Ernst and Young LLP, presented the Annual Audit Letter for the year ended 31 March 2019 to inform the Committee on matters arising from the audit of the financial statements, the consistency of information published with these statements and the results of the work undertaken to assess the Council's arrangements to secure value for money.</p> <p>During the discussion the following points were noted:</p> <p>Clarification was requested regarding the reduction in audit fees and if this had affected the service given to the Council. The Director for Corporate Services advised that there has been pressure on the auditors through the tendering process to reduce fees to all councils this has resulted in the auditors doing the same amount of work for less money.</p> <p>The council would track its response to the recommendations contained within the report relating to bad debt provisions and the contract register. The Director for Corporate Services advised that all recommendations brought forward by the external auditors go on to a tracking sheet and are discussed at the Senior Leadership Team meetings quarterly. Any recommendations that relate to the statement of accounts cannot be implemented until the year end.</p> <p>Sunny Gill left the meeting 6.41pm</p> <p>RESOLVED that</p> <p>The Committee NOTED the External Auditor's Annual Letter.</p>
24	<p>Annual Report for 2019-20 on Risk Management Arrangements The Director for Corporate Services provided a report seeking Members' approval of the updated Risk Management Policy and Strategy and for Members to note the updated Strategic Risk Register and associated Risk Management Action Plan.</p> <p>During the discussion the following points were noted:</p>

The Director for Corporate Services advised that members could request a copy of the Risk Register at any time. The risk register is discussed quarterly by Senior Leadership Team and any concerns were challenged and discussed with the relevant people involved before being brought to Committee.

A copy of the draft report for Landlord Health and Safety was requested for the next committee meeting to ensure that the council was compliant in all areas and that all assessments and certificates were up to date. The Director for Growth and Regeneration would attend the next meeting to present this report.

Members questioned whether the Council would be responsible should a housing association tenant, housed via our Choice Base Lettings Scheme, come to some harm or worse in a property due to negligence under health and safety, it was advised by Councillor Browne that the housing associations are subject to more stringent Regulation than Local Authorities and checked every 3 years and so should all be compliant.

RESOLVED that

- 1) The Committee **APPROVED** the updated Risk Management Policy and Strategy as attached at Appendix A.
- 2) The Committee **NOTED** the updated Strategic Risk Register and associated Risk Management Action Plan as attached at Appendix B.

25

Internal Audit Update

The Head of Internal Audit provided a report to update Members on the progress made in delivering the 2019-20 Internal Audit Plan including the key findings arising from the audit assignments completed.

During the discussion the following points were noted:

The Head of Internal Audit advised that the Audit for Benefits 2017-18 as shown in appendix 4 on page 72, was completed and evidence returned this week.

The Director for Corporate Services advised that in regard to the audit for Travel Expense Claims 2018-19 as shown in appendix 4 on page 72, the payroll was outsourced to Leicester City County who have changed supplier twice in the last few months, though this problem is out of our control it was improving slowly.

The Director for People and Communities advised Members that following some concerns around Intensive Housing Management Service a request was made for an audit to assist in identifying issues that needed addressing. In line with this audit there was now a full service overview taking place and the results should be ready by the end of November 2019. Members applauded management for recognising that an audit was required to assist in delivering a robust service.

RESOLVED that

The Committee **NOTED** the report and the progress made by the Internal Audit team, in the delivery of the Internal Audit Plan.

26

Review of the Constitution - Update

The Director for Law and Governance provided the Committee with a list of proposed amendments to the Constitution and requested Members' comments and feedback before referral to Council for approval in October 2019.

During the discussion the following points were noted:

- Both the delegation to the Chief Executive to incur one off expenditure up to £100k and the delegation to the Monitoring Officer to acquire/dispose of land/properties would be subject to the Access to Information Rules and as such any key decision with a value of over £50k would require notice of 28 days and publication on the Forward Plan before the decision could be made. Such a decision would also be subject to call-in. Also where a decision was considered significant it would be taken as a report to the appropriate decision making body for a decision rather than made under delegation.
- Members were concerned that the authority for Cabinet to draw from reserves could easily lead to the depletion of reserves. The Director for Law and Governance advised that the authority for Cabinet to draw from the General Reserves was limited to a maximum of £200k per year. Such a decision would be made in consultation with the Section 151 Officer, decision records would be kept due to financial and legal implications.
- The Section 151 Officer reassured Members that where Cabinet or the Chief Executive were considering a decision to draw from Reserves, they would be advised on the implications and every opportunity to find the funds from elsewhere would be explored before a decision was taken to draw from General Reserves. The decision would also be published if it was a Key Decision and the financial and legal implications would be published with the decision notice.
- Members were concerned that the delegation to the Monitoring Officer to acquire/dispose of land was not subject to any limits. The S. 151 Officer confirmed that acquisitions would be subject to the agreed budget. The disposal limit would be considered and added to the report to Council. All such decisions would require notice on the Forward Plan if they were Key Decisions and all decision notices would also be published in order to ensure transparency.

RESOLVED that

The Committee commented on the proposed amendments to the Melton Borough Council Constitution (Appendix A) as detailed above, comments to be included

	before being referred to Council for approval.
27	Urgent Business No urgent items of business were received.

The meeting closed at: 7.40 pm

Chair